

Section 108—Prosecution and Progress

108.01 Subletting of Contract

In accordance with Section 108 of the Specifications included in the Contract, a Subcontractor shall not begin Work on a Project without the Department's written approval of the Subcontract. Section 108 also limits the amount of Work that the Prime Contractor may subcontract.

A. Subcontracting Guidelines

The following are general guidelines for subcontracting:

1. The Contractor may sublet an item designated in the Special Provisions as a "Specialty Item" and deduct the cost of the Specialty Item, at Contract unit cost, from the total Contract bid amount before computing the amount of Work the Contractor must do.
2. The District should not allow materials that the Prime Contractor has purchased for Subcontractor use when computing the percentage of the Work that the Contractor would be required to perform.
3. The requirements for subcontract approval also extends to such items of work as blasting, welding or sawing joints, which may be incidental elements of work included in other pay items.

Note: In no case is it allowable for the Prime Contractor to "carry employees" of a subcontractor on the Prime Contractor's payroll to avoid the subcontract approval process.

4. All Federal-Aid Provisions should be specified in the Subcontract when a Subcontractor is working on a Federal-Aid job. The Subcontractor shall adhere to these provisions, which include the Wage Rate Determinations and the EEO requirements in the Contract.
5. Hauling materials to the Project does not normally require a Subcontract or submitting a copy of the Subcontract Agreement, unless:
 - a. The Subcontractor is hauling material on the Project, i.e., excavated material, borrow, etc.
 - b. The Subcontractor is performing other Work on the Project in conjunction with the hauling, such as spreading GAB or excavating borrow material.
6. Contracts between the Department and counties, municipalities, or other State Agencies do not require submitting of any Subcontract Agreements.
7. Each Subcontractor shall be pre-qualified or registered with the Department as a Subcontractor except for certain Items exempted by the State Transportation Board or Subcontracts totaling \$500,000 or less.
8. The Project Engineer shall review all Subcontracts as to become familiar with the scope of the work to be performed by each subcontractor.
9. The Project Engineer shall monitor the work performed by subcontractors to insure that only work approved in the subcontract is performed.
10. If additional work is to be performed by the subcontractor than originally planned and approved, an additional Subcontract Approval Request must be submitted and approved prior to work commencing on the additional work.

B. Subcontract Approval

The following are general guidelines for approving Subcontracts (Form DOT 485) and Requirements for Federal Aid Contracts:

1. The Prime Contractor completes Form DOT 485 (Request for Approval of Subcontract). Contractor submits the DOT 485 and a copy of the Subcontract Agreement between the Contractor and subcontractor to the Project Engineer.
2. FHWA 1273 – Required Contract Provisions Federal Aid Construction Contracts – should be physically included in all subcontracts and purchase agreements with a contract value of \$10,000 or more, as well as instructions that these documents must be incorporated in any lower-tier subcontracts that are arranged.
3. Subcontracts on Federal Aid projects must contain the Federal Provisions - FHWA 1273.
4. Upon execution of any subcontract and/or consultant agreement, Contractor submits a copy of the fully executed subcontract agreement and/or consultant agreement to the Project Manager. This document will become part of the project records.
5. When the request is properly completed, the Project Engineer sends the completed Form DOT 485 (Request for Approval of Subcontract) to the District Engineer.
6. After the District Engineer approves Form DOT 485, the original Subcontract shall be filed in the project records and the Project Engineer must send to District Equal Employment Officer electronic notification within ten (10) business days of the executed subcontract between the Contractor and DBE firms advising these documents are on file and available for inspection by GDOT and FHWA personnel.
7. If any portion of the Subcontract is further sublet, all previously stated Provisions governing subletting apply, including Registration of the Subcontractor and Federal-Aid requirements. The District Engineer approves all 2nd Tier Subcontract requests.

The Subcontract Approval Request should be reviewed to insure that the contract unit price for the items being subcontracted is used in the extension of the subcontracted amount. This is necessary to insure compliance with the subcontracting limits as defined in Section 108 of the Specifications.

When a subcontractor performs only a portion of an item, such as excavating but not placing and compacting embankment, the unit price agreed upon by the subcontractor and the Prime Contractor for that portion of the item may be used to calculate the percentage of contract for this subcontracted work.

C. DBE Subcontractors

The following are general guidelines for approving Disadvantaged Business Enterprises (DBE) Subcontractors:

1. DBE Contractors must meet the same subcontracting requirements as any other Subcontractor.
2. The Area Engineer or Project Manager checks the Subcontract against the list of DBEs that the Department has approved for that Contract.
3. If a qualified DBE Contractor is approved to work on a Contract as a Subcontractor and is not listed as a participant in the DBE goals on the Project, the Prime Contractor obtains DBE approval from the District so that the Project Manager can monitor the Work and count it toward the Contract goal.

DBE Firms on Construction Projects, located in the General Section 2.0 of the Construction information, contains more information on DBEs.

108.02 Notice to Proceed

Before certifying the right-of-way, the Area Engineer submits an Obstruction Clearance Report Form DOT 498 to the Office of right-of-way using the following procedure:

1. Submit Form DOT 498 after the Department makes the Award on the Contract.
2. List all remaining obstructions and the date you expect the right-of-way Engineer to clear the right-of-way.

3. Submit another report when all obstructions are cleared.
4. The [Office of Contracts Administration](#) issues the Notice to Proceed after the Contractor and Department have executed the Contract and the Right-of-Way Engineer has certified the right-of-way clear.

When issuing a Conditional Notice to Proceed, the [Office of Contract Administration](#) lists the stipulations, including how the office will handle Time Charges. Whenever the Conditional Notice to Proceed states specifically when Time Charges begin, it is not necessary to issue an Unconditional Notice to Proceed. The Area Engineer, however, notifies the Contractor after the terms specified in the Conditional Notice to Proceed have been met.

108.07 Determination of Contract Time

Contract time is determined as follows:

1. The Project Engineer may stop Contract time only when all Contract Items are satisfactorily completed as stated in Subsection 108.07.G, “When Time Charges Cease,” of the Specifications, unless approved as stated below.
2. If there is an adequate reason to stop Contract time before completing Pay Items or liquidated damage assessment, the Project Engineer must obtain the State Construction Engineer’s written approval. The Contractor must be assessed liquidated damages until time charges are stopped.
3. The [Federal Highway Administration \(FHWA\)](#) must concur in stopping Contract time on Full Oversight Projects.
4. Exception For Traffic Signal Installation Pay Items- After the equipment is installed (all equipment as specified in the contract), field tests are completed successfully (As required by [Section 647](#) under “Quality Acceptance” for “Testing Loop Detector Installation” and “Field Tests”) and the equipment is activated and functioning; any time associated with obtaining the District Signal Engineer’s written signal punch list, correcting the signal punch list item(s) and satisfying the thirty (30) days operational test as defined in [Section 647](#) will be performed without the assessment of liquidated damages provided this work is actively pursued. If, during this time, the work is not actively pursued by the Contractor, the Engineer may recommend default of contract as outlined in [Subsection 108.09](#).

Use the same procedure with Time Extensions, [Subsection 108.08](#), i.e., address all requests and recommendations to the State Construction Engineer.

NOTE: Opening a section of the road to traffic does not automatically stop Contract time when Pay Items remain to be completed.

A. Construction Schedule

For information on creating and discussing the Construction Schedule during the Preconstruction Conference, see [Subsection 105.01](#) "Construction Schedule".

Factors that may affect the Work include the following:

- Coordination of Work by Utility Owners
- Right-of-way
- Sequence of Operations

B. Progress Schedule Chart

Unless modified by Special Provision or Supplemental Specification, the Contractor shall submit a Progress Schedule immediately after receiving a Notice to Proceed. The Contract sent by the [Office of Contract Administration](#) contains blank copies of the Progress Schedule Chart. The Department makes no payment until the Contractor submits a Progress Schedule Chart.

The Progress Schedule Chart is completed according to the following requirements:

1. The Contractor shall ensure the chart is legible and suitable for copying. The District Office notifies the Contractor if the chart is unacceptable. (Light pencil and green or blue ink are illegible.) Keep a copy of the unacceptable chart for the Project records.
2. The Contractor shall ensure the chart is complete and contains information essential and pertinent to the Work, including the Contractor's signature, Project number, county, date, etc.

3. The Contractor shall document the Contract Time in calendar days, calendar dates, or available days as appropriate to the Contract. Document intermediate completion dates for bridges and opening to traffic. Do not document available-day Contracts or calendar days except for an overall estimated completion date.
4. The Contractor shall arrange the principal items of Work in logical sequence and ensure the earnings curve is a reasonable accumulation of all items completed according to the Contract. For each item, list the percent complete at the beginning and end of each bar graph.
5. The Contractor shall submit the chart to the Area Engineer for review of the proposed schedule of Work against the Contract requirements for completion. The Area Engineer shall review the chart for adequate progress and proper coordination of the Work.
6. If the Area Engineer concurs with the proposed progress schedule as presented, he or she signs the chart and transmits it to the District Office for the District Engineer approval.
7. The District Engineer reviews the proposed Progress Schedule Chart. If the District Engineer agrees with the Area Engineer, he or she signs the chart and transmits a copy to the Office of Construction.
8. The Department notifies the Contractor if the District Engineer does not approve the chart as presented. The Contractor then shall submit revisions and keep a copy of the unapproved progress schedule chart for the Project files.

C. Critical Path Method (CPM)

The Department reviews and accepts Projects requiring the submittal of a Progress Schedule prepared by the Critical Path Method (CPM) according to Special Provision 108-Prosecution and Progress. The Office of Construction is available to assist in reviewing CPM schedules.

108.08 Failure or Delay in Completing Work on Time

Time Extensions usually are approved for one of the following reasons:

- The Contract requires more Work than stated in the Proposal, including significant overruns or extra Work.
- The controlling items of Work were delayed because of conditions beyond the control of and without the fault of the Contractor.

The Project Engineer uses this procedure for processing time extensions:

1. When a Time Extension is warranted due to significant overruns, the Project Engineer originates a letter to the District Engineer as early as possible. The letter should state:
 - a. The impact of the overruns on the Contract Time.
 - b. The amount of time recommended as determined by current policy and the Specifications.
2. On Projects requiring a CPM Schedule, the District Engineer reviews the Contract Special Provision and complies with all requirements therein.
 - a. The District Engineer forwards the letter, along with a recommendation, to the State Construction Engineer.
 - b. The State Construction Engineer reviews and submits the request with a recommendation to the Chief Engineer. The Chief Engineer is the only person authorized to approve a Time Extension.
3. When a Time Extension is warranted because of an increase in the estimated time for consolidating embankments at bridge ends, the Department calculates the increase in Contract Time according to Section 208.3.05.B.3 of the Specifications. The Project Manager records this calculation on the first monthly statement after determining the time to be allowed for the consolidation.
4. In all other cases, the Contractor shall originate a written request for a Time Extension according to the requirements contained in Section 108.07.E of the Specifications, "Extension of Contract Time." The Contractor shall direct to the Project Engineer a letter that contains the following information:
 - The basis for the request
 - The calendar dates involved

- A description of the Work performed beyond Contract requirements and why this Work justifies a Time Extension. If conditions beyond the Contractor's control cause the delay, the Contractor shall explain the delay and how it has affected other operations on the Project. Descriptions and explanations should be detailed enough to permit someone unfamiliar with the Project to evaluate the information contained in the letter.
5. After receiving the Contractor's request, the Project Engineer:
 - a. Promptly reviews the letter and checks its statements with the Project records and Diaries for accuracy.
 - b. Discusses the request with the District Construction Engineer and the Highway Construction Engineer.
 - c. Notifies the [Federal Highway Administration \(FHWA\)](#) representative if it is a Federal-Aid job.
 6. After completing the investigation, the Project Engineer provides an evaluation and recommendation in a letter to the District Engineer and attaches a copy of the Contractor's request for the Time Extension.
 7. After receiving the Project Engineer's letter, the District Office verifies that the request contains all information as outlined above. The District Engineer sends a letter to the Contractor rejecting any requests that are clearly without justification and forwards a copy of the letter to the State Construction Engineer.
 8. If the District Engineer believes any requests merit consideration, he or she submits them to the State Construction Engineer, along with any comments and recommendations.
 9. Before submitting the Time Extension request, Project personnel, the Area Engineer, and District Personnel should resolve any differences of opinion. If the [FHWA](#) is involved, their personnel should be thoroughly informed.
 10. The State Construction Engineer reviews the submission from the District Engineer and either rejects the request or makes a recommendation to the Construction Division Director. If the concurrence of the [FHWA](#) is required, the State Construction Engineer submits all information to the [FHWA](#) for concurrence before recommending approval to the Construction Division Director.
 11. The Construction Division Director rejects the request or makes a recommendation to the Chief Engineer. The Chief Engineer is the only person authorized to approve a Time Extension.
 12. After the Chief Engineer approves or disapproves the Time Extension request, the State Construction Engineer:
 - a. Notifies the District Office by letter.
 - b. Attaches a copy of the Chief Engineer's approval or denial, which becomes part of the document authorizing or denying the Time Extension.
 - c. Notifies the Contractor of the approval or denial.

In all cases, time extensions should be processed expeditiously. Do not wait for all Contract Time to expire and the Contract to be in liquidated damages.

108.09 Default of Contract

A. Punch List Work

The Contractor shall complete punch list Work on time. If the Contractor fails to make reasonable progress in completing punch list Work, follow this procedure:

1. The Area Engineer notifies the Contractor in writing that outstanding Work must be completed before Final Acceptance. The Area Engineer sends a copy of the notification to the District Construction Engineer.
2. In most cases, the Area Engineer writes a letter if punch list Work is not performed within the last 90 days, except in cases where, in the Area Engineer's judgment, the 90-day criterion is inappropriate. The Area Engineer attaches a copy of the punch list to the letter and marks each Item to indicate completion.
3. If the Contractor still fails to complete the punch list Work within 30 days or to make satisfactory arrangements to complete the Work, the Area Engineer reports the following in writing to the District Construction Engineer, the Contractor, and the Contractor's Surety:
 - Date the punch list was furnished
 - Status of the punch list Work

- Date the Work was last performed
4. The District Construction Engineer then writes a letter for the District Engineer's signature containing:
 - The information listed in step 3, above.
 - A statement noting that unless Work begins on the punch list within 30 days and is completed on time, the District Construction Engineer will recommend that the Contract be placed in default.

The District Construction Engineer sends copies of the letter to the Surety, the State Construction Engineer, and the Division Director.

5. The Area Engineer again notifies the District Construction Engineer if the Contractor fails to:
 - Begin Work on the punch list within 30 days, or
 - Make other satisfactory arrangements.
6. The District Construction Engineer immediately notifies the State Construction Engineer, in writing, recommending default.
7. The State Construction Engineer then notifies the Contractor, in writing, of the final opportunity to begin the punch list Work before the Director of Construction initiates the default process.

108.10 Termination of Contractor's Responsibility

This section explains the procedures for submitting and distributing Status Time Reports and dealing with Projects behind schedule.

A. Final Inspection and Acceptance Procedures

Refer to Subsection 105.14.A, "Maintenance Acceptance" in the Construction information.

Refer to Subsection 105.16, "Final Inspection and Acceptance Procedures" in the Construction information.

B. Status Time Reports

1. Contract Status Time Report

A Contract Status Time Report must accompany each Construction Report or Contract Group of Construction Reports submitted. The Project Engineer may submit Status Time Reports at any time without a Construction Report to update the status of a Contract. All milestone dates are now reported on a Contract basis. This section includes examples of Contract Status Time Reports for let and non-let Projects.

The Project Engineer submits a Contract Status Time Report using the following procedure:

- a. Ensure that the Pay Period Ending Date corresponds on both documents.
- b. Return an updated report to the Area Office for each report submitted.
- c. Include the following Milestone Dates on the report:
 - Charges Start Date—See Specification Section 108.02.
 - Date Work Began—The date that construction began.
 - Time Suspended and Time Resumed—Each date should include a reason in the Suspend/Resume remark blank.
 - Charges Stop Date—This is normally the date when all Pay Items (except the placement of nitrogen) have been completed to the satisfaction of the Area Engineer.

NOTE: Liquidated Damages are automatically charged if the Contractor has exceeded the time allowed.

The Contractor may need to perform some corrective Work before the request for a Final Inspection. If the Contractor does not make satisfactory progress in performing this Work, the Area Engineer should initiate the steps for responding to a Project behind schedule, as detailed later in section D, [Procedure for Projects Behind Schedule](#).

- **Open to Traffic**—This is the date when all lanes are opened to unrestricted traffic, as defined in Section 108 of the Specifications, which states the Department may waive portions of the liquidated damages that accrue after the Work is in condition for the traveling public to use safely and conveniently.
- **Ready For Final Inspection**—This is normally the date when all items on a Project are complete to the satisfaction of the Area Engineer. The Area Engineer then reports the Project ready for Final Inspection and includes the stand of grass as a Punch List item. Reporting this date on the Contract Status Time Sheet notifies both the District Engineer and State Construction Engineer that the Project is ready for Final Inspection.
- **Satisfactory/Unsatisfactory Status**—Projects meeting the following criteria are reported as “Unsatisfactory” on the Contract Status Time Report:
 - Projects with an approved Progress Schedule Chart that are more than 15 percent behind schedule.
 - Projects requiring CPMs that are more than 30 days behind schedule.
 - Significant resurfacing Projects or other Projects, generally exceeding \$500,000.00, that do not have schedules but are more than 25 percent behind based on time.

The Project will remain “Unsatisfactory” until the Project Engineer reports it as “Satisfactory” on a subsequent Contract Status Time Report. When any of the following events occur on a Project that has been reported as “Unsatisfactory,” the Project Engineer immediately submits a revised Contract Status Time Report reporting the Project as “Satisfactory”:

- The Project is opened to traffic.
- The Project is ready for Final Inspection.
- Time is stopped on the Project.
- A Time Extension that will change the Project status from “Unsatisfactory” to “Satisfactory.”

C. Distributing Status Reports

The Area Engineer should distribute status reports as follows:

1. Milestone Dates on all Projects
 - State Transportation Office Engineer
 - State Construction Engineer
 - [FHWA Division Engineer](#) - c/o State Construction Engineer (Federal Full Oversight Projects Only)
 - District Engineer
2. Beginning and Ready for Final Inspection Dates should also be distributed to:
 - State and District Maintenance Engineers (Projects on the State Highway System)
 - State Transportation Program Engineer (On Authority and General Obligation Bonded Projects)
 - [State Materials Engineer](#) (Ready for Final Inspection Only)

The Area Engineer uses this procedure to distribute status reports:

1. Notify the Contractor every month, using the Contract Status Time Report, of the time charged against the Project on Available Day Contracts, according to the Specifications.
2. Send to the Contractor Contract Status Reports that contain only Time Charges and milestone dates. Do not give any other reference to the status of the Contract.

D. Procedure for Projects Behind Schedule

The Area Engineer takes the following steps in response to Projects behind schedule that meet the criteria established for unsatisfactory performance as noted.

NOTE: The Area Engineer may elect not to begin these steps only with the concurrence of the District Construction Engineer and the State Construction Engineer.

1. The Area Engineer writes a letter to the Contractor that:
 - States the percentage behind schedule.
 - States the Contract Completion date and rate of liquidated damages.
 - Requests a new Progress Schedule within 10 days.
 - Requests a plan to get the Project back on schedule.
 - Requests a meeting with the District Construction Engineer, Area Engineer, Project Engineer, and Contractor within 15 days.
2. At the meeting, the District Construction Engineer, Area Engineer, Project Engineer, and Contractor:
 - Discuss the Contractor's lack of progress.
 - Request an explanation.
 - Review the revised Progress Schedule and the Contractor's reason for the lack of satisfactory progress.

NOTE: The District Engineer should participate in meetings involving critical Projects.

3. After the meeting, the Area Engineer writes a letter to the Contractor that contains:
 - Commitments and agreements made at the meeting.
 - Whether or not the revised Progress Schedule is acceptable.
 - The statement that, if the revised Progress Schedule is unacceptable, payments will be withheld until the problem is resolved.
 - A reference to Specification Section 108.03.
 - The statement that further action will be taken if progress does not improve.
4. The Area Engineer advises the District Construction Engineer if there is no satisfactory improvement. The District Engineer (District Construction Engineer) writes a letter to the Contractor stating:
 - The lack of satisfactory improvement in the progress.
 - The completion date(s) and the liquidated damages rate.
 - A statement that the Area Engineer will recommend default to the State Construction Engineer if satisfactory progress does not occur.

The Area Engineer sends a copy of this letter and copies of all previous correspondence to the Contractor's Surety.

5. If the Contractor does not satisfactorily pursue the Work, the District Engineer writes a letter to the State Construction Engineer that contains:
 - A recommendation of default for lack of progress.
 - A review of Project status, including the Project description.

The District Engineer sends a copy of this letter and copies of all previous correspondence to the Contractor and the Contractor's Surety.